

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

Filing Date: **1994-01-21** | Period of Report: **1993-06-30**
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FILER

ST PAUL BANCORP INC

CIK: **810578** | IRS No.: **363504665** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **000-15580** | Film No.: **94502253**
SIC: **6035** Savings institution, federally chartered

Business Address
6700 W NORTH AVE
CHICAGO IL 60635
3126225000

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

- (X) Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 1993

or

- () Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number 0-15580

St. Paul Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

36-3504665
(I.R.S. Employer
Identification No.)

6700 W. North Avenue
Chicago, Illinois
(Address of principal executive offices)

60635
(Zip Code)

(312) 622-5000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding twelve months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$.01 par value -- 13,086,750 shares, as of July 30, 1993

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ST. PAUL BANCORP, INC.
AND SUBSIDIARIES

This amendment to St. Paul Bancorp Inc.'s Quarterly report on Form 10-Q for the quarter ended June 30, 1993 is being made to amend the Consolidated Statements of Cash Flow with respect to the net increase (decrease) in checking and savings deposits, proceeds from the sales of certificates of deposit and payments for maturing certificates of deposit.

FORM 10-Q
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PART I. FINANCIAL INFORMATION

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ST PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

<TABLE>

<CAPTION>

Dollars in thousands	June 30 1993	December 31 1992
<S>	<C>	<C>
ASSETS:		
Cash and cash equivalents:		
Cash and amounts due from depository institutions	\$ 73,742	\$ 72,940
Federal funds sold	60,000	49,000
Short-term marketable debt securities held for investment, at cost (Market: June 30, 1993-\$239,358; December 31, 1992-\$189,618)	239,356	189,627
Total cash and cash equivalents	373,098	311,567
Marketable debt securities held for investment, at cost (Market: June 30, 1993-\$133,449; December 31, 1992-\$107,367)	132,567	107,732
Mortgage-backed securities held for investment, at cost (Market: June 30, 1993-\$682,999; December 31, 1992-\$654,411)	668,888	643,941
Loans receivable	2,460,359	2,318,879
Less: accumulated provision for loan losses	50,536	48,681
Net loans receivable	2,409,823	2,270,198
Inventory of assets held for sale, at lower of cost or market (Market: June 30, 1993-\$26,593; December 31, 1992-\$19,090)	26,451	19,019
Accrued interest receivable	22,391	22,059
Foreclosed real estate (Net of accumulated provision for losses: June 30, 1993-\$1,864; December 31, 1992-\$2,403)	33,245	17,945
Real estate held for investment	13,194	10,497
Investment in Federal Home Loan Bank Stock	31,290	30,720
Office properties and equipment	39,956	33,526
Prepaid expenses and other assets	35,499	33,056
TOTAL ASSETS	\$ 3,786,402	\$ 3,500,260
LIABILITIES:		
Deposits	\$ 3,277,182	\$ 2,985,124
FHL Bank advances	61,794	99,501
Other borrowings	77,054	86,907
Advance payments by borrowers for taxes and insurance	22,605	19,467
Other liabilities	23,868	21,920

TOTAL LIABILITIES	3,462,503	3,212,919
COMMITMENTS		
STOCKHOLDERS' EQUITY:		
Preferred stock (par value \$.01 per share: authorized-10,000,000 shares; none issued)	--	--
Common stock (par value \$.01 per share: authorized-40,000,000 shares; outstanding at June 30, 1993-13,083,350 shares, outstanding at December 31, 1992-12,172,105 shares)	131	121
Paid-in capital	135,884	115,315
Retained income, substantially restricted	192,214	173,976
Less borrowings by employee stock ownership plan	(4,330)	(2,071)
TOTAL STOCKHOLDERS' EQUITY	323,899	287,341
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,786,402	\$ 3,500,260

</TABLE>

See notes to consolidated financial statements.

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ST PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>

<CAPTION>

Dollars in thousands except per share amounts	Three months ended June 30		Six months ended June 30	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME:				
Loans receivable	\$ 52,032	\$ 54,214	\$ 102,299	\$ 111,034
Mortgage-backed securities	11,194	12,845	22,155	26,881
Marketable debt securities	1,834	344	3,324	691
Trading account	19	21	49	44
Federal funds	301	342	573	537
Other short-term investments	1,965	3,372	3,964	6,558
Total interest income	67,345	71,138	132,364	145,745
INTEREST EXPENSE:				
Deposits	31,379	37,798	62,269	78,870
Short-term borrowings	1,528	2,442	3,617	4,906
Long-term borrowings	1,583	2,599	2,920	6,524
Total interest expense	34,490	42,839	68,806	90,300
Net interest income	32,855	28,299	63,558	55,445
Provision for loan losses	2,750	2,175	6,750	3,875
Net interest income after provision for loan losses	30,105	26,124	56,808	51,570
OTHER INCOME:				
Loan servicing fees	424	986	907	1,736
Other fee income	3,593	2,419	6,627	4,568
Net gain on assets sold	745	482	910	1,637
Net trading account gain (loss)	40	19	45	(29)
Discount brokerage commissions	1,620	1,209	2,958	2,391
Income from real estate operations	643	614	1,206	1,061
Insurance and annuity commissions	852	1,102	1,731	1,948
Other	102	78	178	231
Total other income	8,019	6,909	14,562	13,543
GENERAL AND ADMINISTRATIVE EXPENSE:				
Salaries and employee benefits	10,841	9,044	20,961	17,852
Occupancy, equipment and other office expense	4,658	3,648	8,970	7,525

Advertising	1,355	1,092	2,592	2,144
Federal deposit insurance	2,286	1,822	4,489	3,640
Other	1,650	1,878	2,858	3,264
	-----	-----	-----	-----
General and administrative expense	20,790	17,484	39,870	34,425
Loss on foreclosed real estate	344	682	671	1,541
	-----	-----	-----	-----
Income before income taxes	16,990	14,867	30,829	29,147
Income taxes	5,468	5,119	10,064	10,153
	-----	-----	-----	-----
NET INCOME	\$ 11,522	\$ 9,748	\$ 20,765	\$ 18,994
	-----	-----	-----	-----
	-----	-----	-----	-----
EARNINGS PER SHARE:				
Primary	\$ 0.85	\$ 0.78	\$ 1.55	\$ 1.53
Fully Diluted	0.84	0.78	1.55	1.52
	-----	-----	-----	-----
	-----	-----	-----	-----
DIVIDENDS PER SHARE	\$ 0.10	\$ 0.10	\$ 0.20	\$ 0.20
	-----	-----	-----	-----
	-----	-----	-----	-----

</TABLE>

See notes to consolidated financial statements.

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ST. PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)

<TABLE>
<CAPTION>

Dollars in thousands, except share data	COMMON STOCK SHARES	STOCK AMOUNT	PAID-IN CAPITAL	RETAINED INCOME	BORROWINGS BY EMPLOYEE STOCK OWNERSHIP PLAN	TOTAL STOCKHOLDERS' EQUITY
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance December 31, 1991	12,038,555	\$ 120	\$ 113,428	\$ 141,126	\$ (1,786)	\$ 252,888
Issuance of common stock under stock option plan	57,150	1	580	--	--	581
Net income	--	--	--	18,994	--	18,994
Cash dividends paid to stockholders (\$.20 per share)	--	--	--	(2,409)	--	(2,409)
Repayments of principal	--	--	--	--	358	358
Additional borrowings	--	--	--	--	(1,000)	(1,000)
	-----	-----	-----	-----	-----	-----
BALANCE JUNE 30, 1992	12,095,705	\$ 121	\$ 114,008	\$ 157,711	\$ (2,428)	\$ 269,412
	-----	-----	-----	-----	-----	-----
Balance December 31, 1992	12,172,105	\$ 121	\$ 115,315	\$ 173,976	\$ (2,071)	\$ 287,341
Issuance of common stock under stock option plan	50,000	1	819	--	--	820
Issuance of common stock to Elm shareholders	861,542	9	19,757	--	--	19,766
Retirement of common stock issued to Elm shareholders	(297)	--	(7)	--	--	(7)
Net income	--	--	--	20,765	--	20,765
Cash dividends paid to stockholders (\$.20 per share)	--	--	--	(2,527)	--	(2,527)
Repayments of principal	--	--	--	--	357	357
Additional borrowings	--	--	--	--	(2,616)	(2,616)
	-----	-----	-----	-----	-----	-----
BALANCE JUNE 30, 1993	13,083,350	\$ 131	\$ 135,884	\$ 192,214	\$ (4,330)	\$ 323,899

</TABLE>

See notes to consolidated financial statements.

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ST. PAUL BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>

<CAPTION>

Dollars in thousands	SIX MONTHS ENDED JUNE 30	
	1993	1992
<S>	<C>	<C>
OPERATING ACTIVITIES:		
Net income	\$ 20,765	\$ 18,994
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Provision for loan losses	6,750	3,875
Provision for losses on foreclosed real estate	412	1,533
Provision for depreciation	2,293	2,038
Assets originated and acquired for sale	(44,271)	(113,871)
Sale of assets held for sale	34,784	103,533
Decrease in accrued interest receivable	1,085	4,623
Increase in prepaid expenses and other assets	(1,813)	(1,304)
Decrease in other liabilities	(2,733)	(25,061)
Net amortization of yield adjustments	35	(380)
Other items, net	6,157	(4,828)
Net cash provided (used) by operating activities	23,464	(10,848)
INVESTING ACTIVITIES:		
Principal repayments on loans receivable	254,857	275,506
Loans originated or purchased for investment	(207,621)	(170,220)
Loans receivable sold	14,220	29,571
Principal repayments on mortgage-backed securities	111,366	156,563
Mortgage-backed securities purchased for investment	(79,618)	(94,451)
Maturities of marketable debt securities	122,024	250
Purchase of marketable debt securities	(90,812)	(9,819)
Additions to real estate held for investment	(2,077)	(2,707)
Real estate sold	4,584	7,053
(Increase) decrease in investment in Federal Home Loan Bank stock	1,897	(591)
Purchase of office properties and equipment	(2,848)	(1,774)
Proceeds from sales of office properties and equipment	333	42
Acquisition of Elm Financial, net of cash and cash equivalents acquired of \$11,002.	(15,655)	--
Net cash provided by investing activities	110,650	189,423
FINANCING ACTIVITIES:		
Net increase (decrease) in checking and savings deposits	(4,093)	50,622
Proceeds from sales of certificates of deposit	145,641	123,633
Payments for maturing certificates of deposit	(161,711)	(200,349)
Net proceeds from issuance of subordinated notes	33,422	--
Repayment of FHL Bank advances	(37,704)	(61)
Decrease in other borrowings, net	(45,382)	(70,430)
Repayment of subordinated capital notes	-	(12,360)
Interest credited on subordinated capital notes	-	146
Redemption bonus on subordinated capital notes	-	144
Dividends paid to stockholders	(2,527)	(2,409)
Net proceeds from exercise of stock options	513	581
Decrease in advance payments by borrowers for taxes and insurance	(742)	(156)

Net cash used by financing activities	(72,583)	(110,639)
INCREASE IN CASH AND CASH EQUIVALENTS	61,531	67,936
Cash and cash equivalents at beginning of period	311,567	314,623
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 373,098	\$ 382,559

SUPPLEMENTAL DISCLOSURES:

Interest credited on deposits	\$ 56,580	\$ 71,990
Interest paid on deposits	5,871	8,085
Total interest paid on deposits	62,451	80,075
Interest paid on borrowings	6,993	12,324
Income taxes paid, net	11,293	14,267
Common stock issued in acquisition of Elm Financial	19,766	--
Real estate acquired through foreclosure	19,803	25,640
Loans originated in connection with real estate acquired through foreclosure	2,978	21,421

</TABLE>

See notes to consolidated financial statements.

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ST. PAUL BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Management all necessary adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been included. The results of operations for the three- and six-month period ended June 30, 1993 are not necessarily indicative of the results that may be expected for the entire fiscal year.
- The accompanying consolidated financial statements include the accounts of St. Paul Bancorp, Inc. (the "Company" or "St. Paul Bancorp") and its wholly-owned subsidiaries, St. Paul Federal Bank For Savings (the "Bank" or "St. Paul Federal"), Annuity Network, Inc. and St. Paul Financial Development, Inc. The financial statements of St. Paul Federal include the accounts of its subsidiaries. Certain prior year amounts have been reclassified to conform to the 1993 presentation.
- At June 30, 1993 the Bank had outstanding commitments to originate 1-4 family, real estate loans of \$61.0 million. Of these commitments, \$31.9 million were for adjustable-rate loans and \$29.1 million were for fixed-rate loans. Most of these commitments expire after sixty days. Unused home equity lines of credit totaled \$29.5 million as of June 30, 1993. The Bank anticipates funding the origination commitments with excess liquidity.

At June 30, 1993 the Bank held commitments to sell \$40.0 million of fixed-rate, 1-4 family real estate loans. Market value losses, if any, related to these commitments have been reflected in the consolidated financial statements.

- On February 23, 1993, the Company acquired ("the Acquisition") Elm Financial Services, Inc. ("Elm Financial"). The unaudited Pro Forma Combined Statements of Income presented below report the combined results of operations of the Company and Elm Financial for the six-month periods ended June 30, 1993 and 1992 as if the Acquisition had been effective on January 1, 1993 and January 1, 1992, respectively, after giving effect to the purchase accounting adjustments.

The unaudited Pro Forma Condensed Combined Statements of Income reflect the application of the purchase method of accounting. Under this method of accounting, the aggregate cost to the Company of the Acquisition was allocated to the assets acquired and liabilities assumed, based on their estimated fair values as of February 23, 1993. No goodwill was recorded by the Bank in connection with the Acquisition.

The unaudited Pro Forma Condensed Combined Statements of Income are intended for informational purposes and are not necessarily indicative of the future results of operations of the combined company, or results of operations of the combined company that would have actually occurred had the Acquisition been consummated as of the periods presented.

PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME

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<TABLE>
<CAPTION>

	Proforma Results	
	For the Six Months Ended	
	June 30, 1993	June 30, 1992
<S>	<C>	<C>
Interest income	\$136,322	\$161,132
Interest expense	70,652	99,267
Net interest income	65,670	61,865
Provision for loan losses	7,176	3,935
Net interest income after provision for loan losses	58,494	57,930
Other income	14,311	13,720
Other expense	41,065	38,287
Loss on foreclosed real estate	671	1,541
Pre-tax income	31,069	31,822
Income taxes	10,152	11,025
Net income	\$ 20,917	\$ 20,797
Earnings per share:		
Primary	\$1.53	\$1.56
Fully Diluted	1.53	1.56

</TABLE>

5. The following schedule details the net effect during the first half of 1993 of the Acquisition on cash and cash equivalents:

<S>	<C>
Purchase price	\$48,194
Less: issuance of St. Paul stock	19,766
Less: Elm stock acquired in 1992	1,774
Cash paid for Acquisition	26,657
Cash and cash equivalents acquired	11,002
Acquisition of Elm Financial, net of cash and cash equivalents acquired	\$15,655

</TABLE>

